

**AGC - WASHINGTON STATE DEPARTMENT  
OR TRANSPORTATION EQUIPMENT  
RENTAL AGREEMENT**

Effective Date: September 1, 1987 Until Further Notice

It is mutually agreed by the parties to this agreement that rental rates to be paid Contractors for equipment used on force account will be established in accordance with Section 1-09.6 of the Standard Specifications and this agreement. The following rules have been agreed to:

**1. General**

The Rental Rate Blue Book Volumes 1 and 2, published by Dataquest as clarified or modified by this agreement, will be used to establish rental rates for equipment approved for use, by the Engineer, on force account work. Rate modifications indicated on Regional Adjustment Maps in the Blue Book have been averaged to establish a statewide factor of 1.05 on all equipment. The effective date of each section of the Blue Book when revised by Dataquest will be established by the Washington State Department of Transportation in Olympia. Equipment used under the terms of this agreement will be at the rates in effect for each section of the Blue Book at the time of use.

**2. Rental Rate**

The hourly rental rate for each authorized force account shall be a combination of the following items:

- a. The Blue Book monthly rate times the Rate Adjustment factor times the Regional Adjustment average of 1.05 divided by 176.
- b. The hourly operating cost for each hour that the equipment is in use.
- c. Attachments will be included in the rental rate only when deemed applicable and essential to the force account work by the Engineer. When multiple attachments are approved for use, and the attachments are being used interchangeably on the force account operation, only the one attachment having the higher rate will be eligible for payment.

All rental rates established will be rounded to the nearest \$0.10.

**3. Standby Time**

When ordered by the Engineer, standby time shall be paid at 33 percent of the rate established in accordance with this agreement. The operating cost shall not be included in the calculation for establishing the standby rate. The standby rate will be rounded to the nearest \$0.10. Standby rates which are calculated at less than \$1.00 per hour shall not be paid. No more than 8 hours of standby will be paid during a 24 hour period. No more than 40 hours of standby will be paid during a one week period. A combination of standby time and actual operating hours shall not exceed 8 hours in any 24-hour period or 40 hours during a one-week period.

**4. Rental Invoices**

If Contractor-owned equipment is not available and equipment is rented from outside sources, payment will be computed on the basis of actual cost. The State reserves the right to limit invoice

payment to comparable rental rates for available equipment. When the invoice specifies that the rental rate does not include fuel, lubricants, repairs and servicing, the Rental Rate Blue Book Hourly Operating Cost shall be added for each hour the equipment operates. An amount will be added to the total rental invoice (including sales tax) for overhead as allowed in Section 1-09.6 subparagraph 3 of the Standard Specifications.

5. **Owner-Operated Equipment**

Owner-operated equipment shall be paid on the basis of actual invoice costs. It will not be necessary to segregate the labor and equipment for purposes of calculating the mark-up. The State reserves the right to limit invoice payment to comparable rental rates for available equipment. An amount will be added to the total rental invoice for equipment and operator for overhead as allowed in Section 1-09.6 subparagraph 3 of the Standard Specifications.

6. **Move-in, Move-out**

The rates provided in this agreement contemplate that the Contractor will have the equipment necessary to accomplish the force account work available on the project. In the event the required equipment is not on the site and it is necessary to obtain equipment from sources beyond the project limits exclusively for force account work, the actual cost of transferring the equipment to the site of the work and return will be allowed as an additional item of expense. Where the move is made by common carrier, the move-in and move-out allowance will be limited to the amount of the freight bill or invoice plus an amount for overhead as allowed in Section 1-09.6 subparagraph 3 of the Standard Specifications. If the Contractor hauls the equipment, the allowance will be the rental rate for the hauling unit, as established in Item No. 2, plus operator's wages. The equipment being hauled will be paid for at standby rates for the period of the haul. In the event that equipment other than trucks is transferred under its own power, the moving allowance will be limited to three-fourths of the calculated rental rate plus operator's wages. It is further contemplated that move-out expense will provide for the return of the equipment to the location from which it was obtained. In the event that the move-out is to a different location, payment will in no instance exceed the amount of the move-in. No payment will be made for move-in or move-out costs when so stated in the special provisions - or the Standard Specifications.

Payment may be allowed for moving equipment from work site to work site within the project after the equipment is on the job, if approved in advance by the Engineer.

Charges for mechanics' time utilized in servicing equipment to ready it for use prior to moving to the project and similar charges will not be allowed. Neither will move-in allowances be made for equipment brought to the project for force account work which is subsequently retained on the project and utilized in completion of contract items, or related work.

7. **Blue Book Omissions**

In the event a rate has not been established for a particular piece of equipment in the Rental Rate Blue Book Volumes 1 and 2, one of the following methods shall be used to determine a rate:

- a. Use a rate for the most similar model found in the applicable Blue Book. Such characteristics as manufacturer, capacity, horsepower, and fuel type will be used as the basis for selecting a similar model.

- b. The Contractor may call Dataquest for a written response to a rental rate. The rate shall be approved by the Engineer prior to use of the equipment on force account.
- c. If an acceptable rate cannot be established using methods a or b above, the State Construction Engineer, upon request, will develop a rate using established Department of Transportation rental rate formulas.

**8. Full-time Use**

Equipment will be eligible for payment when operated and used on a full-time basis. Equipment is also considered to be used full-time when the equipment has to be manned and "ready" for use on a full-time basis.

**9. Intermittent Use**

The Contractor is expected to divert equipment being operated infrequently to other work if practicable. When the Engineer determines that equipment need not remain at the work site continuously, payment will be limited to actual hours of use.

**10. Breakdown**

When a breakdown occurs for any piece of equipment being used on force account work, payment shall cease for that equipment and any other equipment that is idled as a result of the breakdown. Payment shall be made though the one-half shift for any labor that is idled as a result of the breakdown only if the labor cannot be diverted to other work and the Contractor is obligated to pay the labor through the one-half shift in which they actually performed the work. Otherwise, payment for all labor that is idled as a result of the breakdown shall cease at the time of the breakdown.

**11. Shutdown**

If the Engineer orders a shutdown of any or all of the force account, the equipment idled as a result of the shutdown shall be diverted to other work. When diversion of equipment is not practical, standby time may be paid during non-operating hours as provided in Item 3 of this agreement.

The Engineer reserves the right to cease standby payment for equipment that is idled as a result of a shutdown when the shutdown is anticipated to be for an extended period of time. No further payment shall be allowed after the date the Engineer makes this determination except as provided in Item 6, Move-in and Move-out.

Standby time shall not be paid when shutdown is the result of the fault or negligence of the Contractor.

**12. Small Tools**

Equipment listed in Section 18 (Shop Tools) of the Blue Book, Volume 1, having a daily rate of less than \$5.00, and individual pieces of equipment not specifically covered by the Blue Book having a value of three hundred and fifty (\$350) dollars or less shall be considered small tools and equipment for which no rental payment is allowed except as specified herein. The State will pay for small tools not allowed under this section if all of the following conditions are met:

- a. The force account work requires the use of an extensive amount of small tools
- b. In advance of the force account work, the Contractor supplies a list of the tools to be used on the work to the Engineer, and

c. The list of small tools to be used on the force account is approved by the Engineer.

If all of the above conditions are met, all the tools on the approved list will be combined into a single rate. Standby time will not be allowed for small tools.

13. **Aeration Equipment**

The rental rate for plows and discs shall be as listed below:

Plows and discs meeting the requirements of Section 2-03.3(15) of the Standard Specifications shall be paid at the rate of \$7.40 per hour.

Add \$0.50 per hour per foot of width for additional width of disc more than 10 ft.

Motive power for discs and plows shall be capable of pulling discs and plows at the speeds specified in Section 2-03.3(15) of the Standard Specifications. Payment for motive power shall be 100 percent of the rates in this agreement except that equipment having motive power in excess of 340 horsepower shall be paid at 100 percent of the highest equipment rate for a comparable unit of the same manufacturer having less than 340 horsepower.

Payment for all other equipment approved for Aeration shall be at the rates established in accordance with this agreement when used for aeration work.

14. **Pilot Cars**

The rental rate for pilot cars shall be the rate for a 4 x 2 one-half ton truck (Section 20 of the Rental Rate Blue Book Volume 1) as determined in accordance with this agreement.

This agreement is issued after conference with representatives of the AGC of Washington, Inland Empire, and Oregon-Columbia Chapters of the Associated General Contractors of America and has their approval subject to either party requesting a review of the rates after a one-year period.